

To what extent has the development of the e-sports industry contributed to the growth of China's service sector?

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Abstract. This dissertation analyses how much the development of the e-sports industry has contributed to the expansion of the service sector in China. It primarily focuses on two case studies, the King Pro League (KPL) and the Identity V League (IVL), which demonstrate how e-sports can influence both offline and online services. The project uses a literature review, case study evidence, and quantitative data from reports, news sources, and recent academic studies. The evidence indicates that e-sports has made a direct contribution to services such as tourism, hotels, catering, transport, retail, advertising, live streaming, and digital entertainment. However, there is an unequal contribution, which suggests that the impact on the service sector is likely to be uneven. In particular, the KPL seems to have a greater impact than IVL due to its larger fan base, more sponsorship, and larger offline events. The study also acknowledges potential negative impacts, such as excessive expenditure, addiction to gaming, and the possibility of overstating the economic impact of e-sports. Generally, the dissertation contends that e-sports has played a significant role in the development of the service sector in China, particularly in cities with relevant competitions, tourism, consumption, and digital platforms. Simultaneously, its influence must be interpreted as a component of broader service-sector expansion, not as the sole factor.

Keywords: e-sports industry, service sector, China, economic contribution

1. Introduction

E-sports has taken a significant role in youth culture in China. Many young people no longer play at home; they are watching professional matches, following the teams on the Internet, purchasing related products, and attending events in the host cities. That is why e-sports is not similar to the usual gaming, as it unites the elements of entertainment and live events, tourism, advertisement, online media, and local consumption. It is for this reason that the topic is directly associated with the service industry in China. The research question behind this project is: To what extent has the growth of the e-sports industry contributed to the growth of China's service sector? This question is significant due to a great variety of activities, which are included in the service sector of China, such as hotels, restaurants, transport, retail, entertainment, media, and digital platforms. Should e-sports lead to higher demands for such services, it can be considered as more than simply a gaming industry. It can also be an impetus to urban development in the service sector.

Recent industry reports indicate that the e-sports market in China has continued to expand. According to the China Audio-Video and Digital Publishing Association [1], the e-sports industry in China had a high number of users and a good performance in terms of revenue. Specifically, it was found to have generated around 27.568 billion yuan in revenue in 2024, representing a 4.62% growth over the previous year, and having approximately 490 million users. According to Co-Research Institute [2], the global e-sports market has remained a source of spectators, sponsors, and income on digital platforms. For example, it was estimated that the mid-2023 number of global e-sports audience was 611 million people, including 308 occasional viewers. Even though these industry reports are not similar to peer-reviewed journals, they are useful in this project as they contain recent market data. Where possible, academic sources are also used, in particular, to analyse the relationship between e-sports, tourism, and digital services.

The dissertation is based on both the offline and online service industries. Some of the services offered offline are hotels, restaurants, transport services, shopping malls, scenic and event venues. Online services include live streaming, short-video platforms, advertising, digital gifts, e-commerce, and online fan communities. Negative effects are also taken into consideration in the project, in order to present more than just one single side of the argument. The project employs a literature review and a case study approach. The literature review describes how e-sports is related to the service sector, and the discussion is done using two examples: IVL and KPL. These case studies are relevant since as both are popular Chinese e-sports competitions, though different in size, number of viewers, and commercial impact. This renders them suitable for comparing the degree of the contribution of e-sports to the development of the service sector in China.

2. Literature review

2.1. Overview of e-sports and the service industry

E-sports is a phenomenon characterised by professional players, well-defined tournaments, audiences, teams, sponsors, and digital broadcasting platforms. This definition is corroborated by Jenny et al. [3], who state that e-sports shares characteristics with traditional sport: competition, rules, spectators, and organised events. In other words, e-sports may be described as a structured competitive video gaming, typically involving a professional player, team, league, and spectators. It is not the same as casual gaming as it has formal rules, match schedules, professional commentary, sponsors, ticketed events, and online broadcasting. These characteristics contribute to the fact that e-sports, in a way, resemble a traditional sport, even though this sport is based on digital games and is not based on physical competition.

The service sector is the part of the economy that provides services instead of manufacturing and includes tourism, hospitality, transport, retail, media, and entertainment, and digital platforms. The World Bank [4] defines services as "A broad category of activities that comprises a wide variety of activities, including services, trade, transport, finance, communication, education, health, and public services". These definitions are vital to appreciate, as they demonstrate that e-sports is not just a gaming activity, but also an economy of a service. It is also important to distinguish between the service industry that offer services and not actual manufacturing. The most applicable service industries in this project include tourism, hospitality, catering, transport, retail, advertising, entertainment, and online media. E-sports concerns these services since when spectators attend events, they often need to travel to the event, eat, sleep, and entertain. Parallel to this development, online viewers are creating demand for live streaming, commentary, online gift giving, commercial advertisement, and short videos.

This situation is further corroborated by the China Audio-Video and Digital Publishing Association [1], whose industry-level statistics from a reputable organisation associated with the digital publishing industry in

China showed that the industry earned 27.568 billion yuan in revenue in 2024b and had approximately 490 million users. Recent evidence of the market is also available from the Co-Research Institute [2] who estimated a global audience of 611 million people, including 308 occasional viewers. One should be more careful, as industry reports can sometimes provide a picture of the market in a positive light. The concept of e-sports being more than entertainment is supported by academic studies. An example is Hlee and Lee [5], who demonstrate that e-sports events can trigger economic spillovers in the tourism sector and the retail and food services sector. This helps to suggest the notion that e-sports can have an impact on the service sector beyond the gaming industry itself.

There is however a difference between saying that e-sports is growing and saying that it directly causes service-sector growth. A broader urban development, holidays and shopping events, or government tourism policies may also cause some growth in the service sector. As such, the literature must be read attentively as opposed to being blindly accepted.

E-sports has been turned into a service-based entertainment system. This directly relates to the research question in that its value does not just come in the form of games, but also through the additional services that are created in relation to competitions and fan activity.

2.2. Economic contributions of e-sports

The most immediate economic impact of e-sports is the revenue from competitions, sponsorship, broadcasting, advertising, and related products. The e-sports business has grown into a big business system in China, with publishers of games, game clubs, professional players, event organisation, live-streaming platforms, and sponsors. This indicates that e-sports is not only a cultural practice but also a chain of economic activities.

The China Audio-Video and Digital Publishing Association [1] reports a high growth in the e-sports industry in China, and Co-Research Institute [2] also records an increase in global interest. These sources concur that e-sports is emerging as a serious commercial sector. This broader trend is corroborated by recent academic research. Hlee and Lee [5] believe that the broader economic impacts of the e-sports events are possible due to the interconnection with the food, retail, broadcasting, and tourism businesses. This is significant as it demonstrates that the revenue that e-sports produce is not confined to companies that produce games.

KPL is a good representation of this economic contribution. According to reports of the 2025 KPL Annual Grand Finals, it is claimed that the event attracted over 60,000 offline attendees, and related reports indicate that the event brought in sponsors due to the size and spending capacity of the fan group [6, 7]. This would imply that with a big event in e-sports, it creates a cycle of spending; fans purchase tickets, sponsors invest, platforms broadcast the event, and local businesses benefit as people spend more.

Meanwhile, other sources might overestimate the economic impact since most consider the overall popularity of the event instead of quantifying how much spending would otherwise have been in the absence of e-sports. This is vital to appreciate because what is really added should be additional service-sector growth and not just spending that would otherwise have happened.

Overall therefore, current literature indicates that e-sports provides an economic boost via sponsorship, events, media consumption, and fan consumption but to be rational the people must consider that all the growth that occurs in the service economy of China, but that it provides an additional source of demand in the service economy of China.

2.3. Impact on tourism, hospitality and urban services

Wang and Ma [8] suggest that the activity of e-sports events can boost tourism and the activity of the service industry in cities, most crucially in the city's branding, transportation, accommodation, catering and other visitor/tourism-related service businesses. In that sense, the impact of the events is direct. This is confirmed by Hlee and Lee [5], who discovered that e-sports event ecosystems can have spillover effects in wholesale, retail, food, and beverage industries. Though the study of Hlee and Lee is not related to China, it is still applicable due to its more systematic academic approach as compared to typical news reports. It assists in clarifying why e-sports events could impact numerous services simultaneously.

Wang and Ma's [8] argument is similar to Hlee and Lee's [5] in that they both point out that e-sports events can have a greater benefit in the services sector than just the match or competition itself. But Hlee and Lee's [5] academic explanation of economic spillovers is more systematic, and while Wang and Ma are more directly focused on the Chinese urban context. This distinction is beneficial to the research question as it illustrates that the link between e-sports and the growth of the service sector is backed by both the general theory in the academic field and instances in China. One of the most evident spheres to which e-sports has an impact is tourism and hospitality. In the case of fans visiting to watch competitions, money may be spent on hotels, restaurants, public transport, taxis, shopping centres, and local attractions. This can be compared to the impact of the traditional sporting events, concerts, and festivals. However, the distinction lies in the fact that e-sports has a smaller fan base (younger) and also enjoys a strong-level connection with the online fan community.

The examples of Chinese cities at the city level also validate this argument. According to the Hangzhou Municipal Government [9], numerous events involving e-sports attracted a large number of non-local visitors, with many of them being young consumers. In total, the city's cultural and entertainment service trade, which includes gaming exports, reached 4.4 billion yuan in 2024, a level that represented a growth of 15.5% rate. Moreover, the entire provincial region was the home base of 1,500 gaming-related companies, including firms like NetEase, Game Science and Electronic Soul. Hangzhou is therefore showing that a city can do more than just

Li [10] reports that KPL-related activities in Beijing generated benefits to catering, shopping, and accommodation. These are some of the sources that are recent and relevant; however, the government and media sources also may have a reason to stress the success of local events. Consequently, they are handy, but they must be read together with academic works.

The connection between e-sports and urban services is particularly significant due to the use of major events by cities increasingly as a means to establish event tourism. The competition in itself is but a reason for travelling in this model. The fans can also take scenic locations, stay overnight, shop for themed items, and dine at local restaurants. This implies that e-sports can extend expenditure on various components of the service sector.

The facts indicate that e-sports has the potential to support tourism and hospitality and urban services, particularly where host cities can tie competitions with discounts, transport, and local attractions. This provides a very definite response to part of the research question, since one of the most observable contributions of e-sports is the growth of offline services.

2.4. Socio-cultural influence and career development

Another area that e-sports is contributing to the service sector is culture and employment. Previously, gaming was perceived as a time-waster, more so among teenagers. Nevertheless, with the development of professional e-sports, to some degree, the perception has changed. Tournament participants now consist of commentators,

event organizers, referees, streamers, content creators, designers, marketers, and data analysts. They are predominantly service-sector jobs since they are all about communication, entertainment, media production, and customer experience.

Zheng [11] provides the argument that e-sports can be actively involved in influencing the choice of youth careers by providing more creative and flexible jobs. The source is topical as the service industry is becoming more and more digital and creative, not just in traditional employment, like restaurants and hotels. The job opportunities associated with the live-streaming and commentary ecosystem of KPL are also discussed by People.cn [12], who's columnist argues that e-sports may provide job opportunities around online content.

There is also a cultural impact on e-sports. In a peer-reviewed article about the issues of Chinese media and e-sports during the Hangzhou Asian Games, Cui et al. [13] demonstrate that e-sports is a serious cultural and sporting issue in China, which is increasingly discussed. This is in line with the fact that e-sports has become more socially accepted. Xiang and Yuan [14] also claim that soft power and cultural communication can be related to the Chinese games. This applies to Honor of Kings since the game features Chinese historical and cultural content, which potentially stimulates cultural consumption like cosplay, online content, and tourism interest.

Nevertheless, the cultural argument cannot be blown out of proportion. The fact that people will travel, purchase goods, or spend more on services does not necessarily mean that people will enjoy Chinese cultural elements in a game. It would be more proper to say that the influence of culture can enrich the interest of fans, and this can translate into the activity of the service sector when they are intertwined with the events, merchandise, or tourism.

E-sports has a positive role in society in terms of creating a new form of work and making digital entertainment culturally more acceptable. In the context of the research question, this implies that e-sports assists the service sector not just by way of spending, but also by way of employment and cultural services.

2.5. Technological development: AR and VR

Another area is technology, where e-sports can help in spurring growth in the service sector. Live broadcasting, online interaction, big screens, Augmented Reality (AR), Virtual Reality (VR), special effects, and digital production teams are often used in e-sports events. Competitions are more thrilling with these services and can provide employment to technicians, designers, platform operators, and media producers.

Adobe [15] although not as recent as most other sources considered in this research, still offers a valuable perspective in terms of explaining early discussions of AR and VR in gaming. Recent findings by the broader e-sports sector indicate that the importance of digital production has increased due to the fact that the audience expects to see professional visuals and be able to interact with others online. As an example, NetEase Games [16] and 163.com [17] demonstrate that IVL utilizes live-streaming platforms and in-game viewing systems to connect with audiences. They are not peer-reviewed sources but are directly related to the case study and help demonstrate how the industry is functioning in the real world.

AR can enhance live events by displaying characters, effects/data in a more theatrical manner. There are more limitations to VR since it typically involves special equipment, and thus is not as widely embraced by average consumers. Such a difference is important because AR can be more easily applied in stadiums and broadcasts, whereas VR can continue to remain as a smaller niche market unless the equipment becomes cheaper and more comfortable.

Such technological contribution to the service sector is thus largely indirect. AR, VR, and digital production not only raise the revenue of the games but also create the need for technical support, digital

design, online platforms, and media services. This addresses the research question since it demonstrates that e-sports can stimulate an increase in the level of competence in more skilled digital services.

AR and VR are not the biggest portion of the contribution of e-sports to the evolution of digital services at present, but they demonstrate how the development of e-sports can assist in the development of digital services. This renders the industry pertinent to the newer, technology-based service economy in China.

2.6. Possible negative impacts

Though the majority of literature and evidence seems to suggest that e-sports play a role in contributing to the service-sector growth, there are also negative effects. These should be included in a fair response to the research question, because growth is not necessarily positive in cases where it produces social problems or when the costs are neglected.

According to Ding [18], college students might be negatively affected by excessive consumption of e-sports, particularly in cases where the student spends more than the suggested amount of money on tickets, gifts, skins, or fan products. It might decrease the amount spent on other essential items and may put young people, who have no constant income, under stress. In this regard, e-sports can boost service consumption, though some of that consumption might not be healthy or sustainable, and might take away from consumption in other areas of the economy – including other areas of the broader service sector.

Ding's [18] concerns about excessive consumption partly challenge the more positive view presented by industry reports. While industry sources mainly emphasise growth, revenue, and fan activity, Ding highlights the possible social costs of this growth. Cui et al. [13] provide a more balanced perspective because they show that Chinese media discussions include both support and criticism of e-sports. This disagreement matters because the research question cannot be answered only by measuring economic growth; it also needs to consider whether that growth is socially sustainable.

Gaming addiction, excessive time in front of the screen, and lack of physical activity are also of concern. These problems may impose strain on the education system, families, and health services. Cui et al. [13] also demonstrate that the Chinese media and viewers have both positive and negative viewpoints on e-sports, which implies that social acceptance is not full. This controversy is significant as it demonstrates that the effects of e-sports are not only financial; they are also social.

But the contribution of the service sector does not entirely offset the negative effects. Risks associated with many industries are associated with rapid growth. Using the example of overcrowding caused by tourism, and online addiction caused by social media, both still have a positive economic impact. The question here is whether e-sports is controlled and handled in a responsible manner. The age protection, spending limits, education, and healthier event culture may mitigate the negative effects.

The potential problems created by e-sports include overconsumption and addiction to e-sports, most especially among the youth. Nevertheless, these issues demonstrate the necessity to regulate as opposed to proving that e-sports lacks service-sector value.

2.7. Research gap and methodological approach

Reflecting on the literature, there is a research gap that needs to be re-searched, as e-sports is linked to the service sector in China. Numerous materials relate to e-sports revenue, the number of viewers, or overall popularity. Less documentation quantifies directly the extent to which hotel, restaurant, transport, or retail development is directly caused by e-sports. This renders it hard to provide a totally accurate percentage response to the research query.

The academic research, like Hlee and Lee [5], can be handy since it explains how e-sports events can result in broader economic spillovers. Nevertheless, they do not study China specifically, which means that the results should be used with caution. Directly relevant examples can be found more directly in Chinese sources, such as Li [19], Hangzhou Municipal Government [9], and People.cn [12], but tend to be reports or news articles, rather than peer-reviewed research. Thus, both kinds of sources have their advantages and disadvantages.

To deal with this gap, this dissertation uses a mixed approach. To begin with, the literature review elucidates the broader association between e-sports and the service sector. Second, the case study analysis is utilized in order to analyse the IVL and KPL. Third, the argument is supported by selected quantitative data, including the size of the audience, the number of tickets sold, the number of visitors, and platform activity. This approach is appropriate when conducting an EPQ project since it can enable the researcher to integrate theory with practical examples.

The unmeasured nature of e-sports in terms of its direct contribution to the services sector of China is the main research gap. The project, hence, evaluates the degree of the contribution in a realistic and balanced manner based on case studies and available data.

3. Discussion

3.1. Background to the case studies: IVL and KPL

The two case studies that are in the scope of this discussion are Identity V League (IVL) and King Pro League (KPL). IVL is founded on Identity V, a game created by NetEase. KPL is founded on Honor of Kings, an application created by Tencent. The two competitions are applicable to this dissertation in the sense that they demonstrate how e-sports can impact services, but to varying degrees.

IVL is not as big as KPL, yet it is still significant as it has a well-defined fan base and resorts to live streaming, offline activities, and advertising of a city. According to GamerSky [20], FPX is an IVL team. ZQ linked live streaming with the tourism of Guangzhou by visiting sites like the Canton Tower and Haixinsha Island. This case demonstrates how e-sports may also be utilised to promote a city, even if the competition is not as large as KPL.

KPL boasts a far larger following and better commercial sway. Reports published in Li [19] and Caixin.com [7] indicate that the 2025 KPL Finals attracted over 60,000 offline spectators, and very fast sales of tickets. This makes KPL a better illustration of the way in which a large e-sports event can bring demand to transport, accommodation, catering, retail, and online media.

The fact that there is a comparison between IVL and KPL is significant since it helps to avoid the dissertation making a single general assertion concerning all e-sports. Rather, it indicates that the contribution to the service sector is based on the popularity of the game, the number of fans, the venue, the sponsorship, and cooperation with local businesses.

3.2. Impact on offline service industries

The offline service industries are impacted when fans go to watch competitions. These services consist of hotels, restaurants, public transportation, shopping malls, tourist attractions, and event venues. KPL seems to have a greater influence within this area than IVL due to the fact that the events that KPL holds appeal to a larger audience and are more likely to be advertised.

In the case of IVL, the linkage with tourism can be observed in Guangzhou, Shanghai, and Hangzhou, according to the report by GamerSky [20], FPX. The live-streaming event of ZQ in Guangzhou connected the

team with local attractions. It was also reported by Hangzhou Municipal Government [9] that the IVL-related activities generated almost 10 million yuan of economic benefits and inspired visitors to spend their time in destinations like West Lake and Lingyin Temple. It implies that even a smaller e-sports league can help in promoting local tourism when the tournament is attached to the services of the city.

In the case of KPL, the influence of the offline service is significantly bigger. The KPL Finals in Beijing were linked with viewing points, ticket-stub discounts, hotel packages, activity in the shopping centre, and catering extensions [19]. Beichenhui Shopping Mall is reported to have registered high growth in the number of people visiting the mall and sales growth on the event day [19]. These instances reveal that the incident was not just a blessing to the game company. It has also impacted restaurants, hotels, transport, and retail businesses within the venue.

This helps answer the research question as it reveals a direct pathway between the development of e-sports and the growth of the service sector. The event brings fans; fans travel and spend; local service providers are responding by offering and extending services; and the city is getting an extra economic activity. The impact is, however, greatest when the event is huge and when the local firms are ready to seize visitor expenditure.

Hence, the offline data indicate that e-sports could be used to contribute to the service sector, but the extent to which it would contribute is dependent on scale. IVL demonstrates, albeit with a smaller magnitude, a real effect, whereas KPL demonstrates a stronger and more evident service-sector effect.

3.3. Impact on online service industries

The online service industries can benefit even more consistently compared to the offline services since e-sports is a naturally digitalized sport. The fans do not necessarily have to be in a stadium; they can watch the games on live-streaming websites, short-video applications, and in-game viewing platforms. This adds value to the platform, commentators, advertisers, streamers, and content creators.

In the case of IVL, the league has been suggested to collaborate with websites like Bilibili, Huya, and Douyu. The duration of the broadcast, digital gifts, memberships, and advertising are all indications of how e-sports is generating online service revenues. Although these sources may be commercial and paint a positive picture of the league, they can still be directly helpful because they demonstrate how the online ecosystem operates.

The online impact of KPL is greater since the number of users and the age of the audience of Honor of Kings are greater. According to a report published by People.cn [12], KPL promotes live streaming, commentary, and the creation of employment. ZAKER [21] also mentions high rates of user-generated content that are associated with KPL. This is important since the development of online services cannot be restricted to the official broadcasts. It also contains fan videos, commentary, memes, highlights, online discussions, advertising, and e-commerce.

The service-sector effect on the online sector is significant since it may extend before and after what was actually happening. A stadium final can take one day, but clips, discussions, fan edits, and live-streaming reactions can last weeks. This prolongs the economic usefulness of the competition and brings a greater number of individuals chances to make money using digital services.

As such, one of the most potent means by which e-sports contributes to the development of the service sector in China is. It has been particularly evident with live streaming, advertising, digital gifts, platform memberships, and content creation.

3.4. Comparison of IVL and KPL's contributions

Both IVL and KPL are included in the service sector of China, although KPL plays a significantly greater role. This is primarily due to popularity. KPL is associated with Honor of Kings, which is one of the most popular mobile games in China, whereas IVL is more specialised. A greater audience typically translates into greater ticket sales, greater sponsors, greater web viewers, and greater local spending.

This change is apparent in the offline attendance. According to Caixin.com [7], KPL venues are significantly smaller, whereas Hangzhou.com.cn [22] reported that IVL venues are much smaller. This does not imply the insignificance of IVL. It demonstrates instead the fact that various e-sports competitions vary in terms of the service-sector influence.

The audience structure is also different. According to Tencent Games [23], Honor of Kings has a very broad age range, whereas according to NetEase Games [24], Identity V has a much narrower age range. This has an impact on the service industry as wider audiences might introduce more diverse expenditure, such as family travel, accommodation, shopping, and catering.

The difference is also evident in online services. KPL is better sponsored, has more user-created content, and more attention to the platform [12, 21]. However, IVL continues to be a smaller platform in terms of live streaming, fan communities, and commentary [17, 24]. This implies that the role of e-sports in the service industry is not as automatic. It is determined by the size of the audience, the commercial organisation, and the ability of the league to reach the platforms and cities.

To directly answer the research question, the rise of e-sports has contributed to the growth of China in the service sector to a significant degree, although not equally across games and cities. KPL has a significant contribution, whereas IVL has a smaller yet significant contribution. This is a more compelling argument than merely stating that all the e-sports events are economically the same.

3.5. Alternative interpretations

Alternative interpretation 1: E-sports do not necessarily have a significant role in service-sector expansion. A counter explanation is that the increase in any of the above hotels, restaurants, transport, and shopping centres would have increased anyway due to the good tourism, large population, and government investment that already exist in Chinese cities. In this perspective, only the transfer of expenditure from one activity to another can be made by e-sports events. Examples include a young person who purchases a KPL ticket might buy less in terms of cinema, shopping, or other entertainment. Assuming this to be the case, e-sports does not bring about much new growth in the service sector; it just alters where consumers are spending their money.

This meaning is helpful as it cautions against overestimating the effects of e-sports. Nevertheless, it is not completely persuasive since the case studies demonstrate that large events can draw non-local visitors and generate concentrated spending around the venues. The fact that local service businesses are providing ticket-stub discounts, hotel packages, fan shuttles, and extended restaurant opening hours all indicate that local service businesses are responding to additional event demand, and not just normal everyday consumption. Thus, although part of the expenditure might be substitution, e-sports does seem to produce additional service activity, particularly at major events.

Alternative interpretation 2: E-sports can entail a social cost that is higher than the economic gain. The opposite side of the coin is that e-sports promotes gaming addiction, unhealthy screen time, and excessive spending among the youth. When these issues evolve to be serious, the benefits of the service sector might have lesser value since society will have to cope with the adverse effects on education, health, and family relationships. Ding [18] substantiates this issue by writing about excessive e-sports avidly among college students.

This meaning is significant as well, particularly due to the fact that a large number of e-sports enthusiasts are young. Nevertheless, it does not imply that e-sports cannot possess economic worth. Risks affect many service industries, such as social media, tourism, and entertainment. The more appropriate solution is not to deny the entire industry, but instead to regulate the industry and make it responsible by age protection, spending control, healthier fan culture, and education.

4. Conclusion

This dissertation has looked at how far the development of the e-sports industry has gone in contributing to the growth of the Chinese service industry. According to the literature review and the case study of IVL and KPL, the overall answer is that e-sports has made a clear and meaningful contribution, but this contribution is not equal across all competitions or services.

The most powerful evidence is in tourism, hospitality, catering, retail, transport, live streaming, advertising, and the creation of digital content. Offline competitions have the capability of bringing fans to host cities, where they use the money to spend in hotels, restaurants, shopping, and travel. Broadcasting, commentary, digital gifts, memberships, short videos, and sponsorship are other ways of creating value created by online competitions. In this regard, e-sports is a catalyst between entertainment, tourism, and digital services.

The analysis of the IVL vs. KPL reveals that scale is important. KPL has a greater impact because it has more impact, greater reach, greater sponsorship, and greater offline activities. IVL continues to play a role in the service sector, albeit with a more limited impact and on the specific fan communities. This implies that e-sports cannot be regarded as a single industry that has the same implications across the board. The contribution made by it is based on the game, the league, the city, and the extent of collaboration with the service businesses.

Simultaneously, the dissertation has demonstrated that e-sports has the potential negative impacts, including overconsumption and gaming addiction. These problems do not eliminate the economic contribution, but they do demonstrate that growth must be handled with a lot of caution. The sustainable e-sports industry must ensure that the youth consumers are not harmed, but the industry continues to support tourism, employment, and digital innovation.

To quantify the extent to which expenditure is directly occasioned by the e-sports events, research in the future can use more precise data provided by hotels, restaurants, transport systems, and live-streaming platforms. This would help bring the answer to the research question more to the point. To date, however, the evidence points to e-sports being, at most, not the only factor that can be attributed to the service-sector expansion of China, but rather an important new contributor, in particular, where urban and platform know-how can connect competitions with wider consumer services.

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